

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

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| IN RE: CITY OF MANILLA, MUNICIPAL GAS DEPARTMENT | DOCKET NO. SPU-01-16 |
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ORDER GRANTING APPLICATION TO DISCONTINUE SERVICE

(Issued November 8, 2002)

On October 25, 2001, the Utilities Board (Board) opened this docket to investigate whether the City of Manilla, Municipal Gas Department (Manilla) had discontinued natural gas service without Board approval in violation of Iowa Code § 476.20(1) (2001). The investigation was initiated based upon a letter filed on October 9, 2001, by Howard Ahrenholtz, Randy Ahrenholtz, Art Joens, Jay Miller, Terry Schechinger, and Marvin Vennink (Complainants). The filing was identified as Docket No. SPU-01-16. On November 2, 2001, Manilla filed a response indicating that it had not made a final decision whether to discontinue the service to Complainants and their properties.

The Board on January 18, 2002, issued an order directing Manilla to file an updated response concerning the decision to discontinue service. On January 24, 2002, Complainants filed supplemental information concerning the discontinuance. On February 20, 2002, Manilla filed the updated response and an application to discontinue natural gas service to the following customers and locations:

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| Randy Ahrenholtz | 3433 Hwy 141, Manilla, IA |
| Ahrenholtz Seeds | 3431 Hwy 141, Manilla, IA |

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| Terry Schechinger | 3130 340th St., Manilla, IA |
| Art Joens | 3166 340th St., Manilla, IA |
| Marvin Vennink | 3246 340th St., Manilla, IA |
| Jay Miller | 3270 340th St., Manilla, IA |

On February 27, 2002, the Board issued an order allowing Complainants until March 11, 2002, to file a response to the application for discontinuance.

Complainants filed a response on March 11. On March 18, 2002, the Board issued an order docketing the application for further investigation and directing the parties to respond to certain questions. The parties filed their responses on May 1, 2002.

Iowa Code § 476.20(1) requires that a utility obtain the approval of the Board before it can discontinue, reduce or impair service to a community or part of a community. Board rules, 199 IAC 7.12(5), establish that an application for discontinuance will be granted if the Board finds "the utility service is no longer necessary, or if the Board finds the transferee is ready, willing, and able to provide comparable utility service."

The Board, by order issued May 16, 2002, scheduled the discontinuance of service for hearing and scheduled a prehearing conference. The Board subsequently canceled the hearing and extended the procedural schedule to allow the parties to negotiate a settlement of the case.

On October 18, 2002, the Complainants filed an application to dismiss their complaints. The Complainants indicated that the issues had been settled. On October 31, 2002, Manilla provided information to staff to show that abandonment of the PVC line at issue had been completed on October 24, 2002. Board staff visited the site on October 25, 2002, and confirmed that abandonment was in compliance with Board pipeline safety standards.

Under Iowa Code § 476.20(1) and 199 IAC 7.12, discontinuance of service to all or part of a community requires the approval of the Board. Subrule 7.12(5) provides that the Board may grant discontinuance if it finds that the service is no longer necessary. In this instance Manilla has settled the issues raised by the Complainants and the Complainants have withdrawn their objections to the discontinuance of service. The Board finds that continuance of the service is no longer necessary and the discontinuance should be granted.

IT IS THEREFORE ORDERED:

The application to discontinue gas service to the customers, as described in this order, filed by City of Manilla, Municipal Gas Department on February 20, 2002, is granted.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Sharon Mayer
Executive Secretary, Assistant to

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 8th day of November, 2002.